GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1778
ANSWERED ON:08.08.2006
SMALL AND MEDIUM SCALE INDUSTRIES
Ahir Shri Hansraj Gangaram

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Government has placed smail scale industries at par with medium scale industries; and

(b) if so, the likely impact of this move on the small scale industries sector?

Answer

THE MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHABSR PRASAD) :

(a) and (b) The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 provides, inter-alia, for specific definitions of micro, small and medium enterprises. The enterprises have been classified broadly into those engaged in

(i) manufacture/ production of goods pertaining to any industry and

(ii) providing/rendering of services. The manufacturing enterprises with Investment in plant and machinery of more than twenty five lakh rupees and up to five crore rupees are classified as small enterprises (same as small scale industries), Manufacturing enterprises with investment in plant and machinery of more than five crore rupees and upto ten crore rupees are classified as medium enterprises. The support measures contained in section 11 and section 15 to 24 are only for the benefit of micro and smalt enterprises and are not applicable to medium enterprises. The Government has thus provided a legal framework for the continuum of micro, small and medium enterprises, in consonance with global practices. There is no likelihood of any adverse impact of defining medium enterprises, in addition to micro and small enterprises,